

Message Text

UNCLASSIFIED

PAGE 01 MEXICO 01925 052132Z

12

ACTION COME-00

INFO OCT-01 ARA-16 ISO-00 EB-11 TRSE-00 OMB-01 CIAE-00

DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-07 PA-04

RSC-01 PRS-01 SPC-03 SS-20 USIA-15 INT-08 STR-08

CIEP-02 DRC-01 /122 W

----- 126043

R 051916Z MAR 74

FM AMEMBASSY MEXICO

TO SECSTATE WASHDC 476

INFO AMCONSUL MONTERREY

AMCONSUL GUADALAJARA

UNCLAS MEXICO 1925

E.O. 11652: N/A

TAGS: EIND, ETRD, MX

SUBJ: CURRENT MEXICAN SCRAP SITUATION

REF: MEXICO 1283, MONTERREY 53, MEXICO A-589 (11/23/73)

1. EMBOFF TODAY DISCUSSED VARIOUS ASPECTS OF CONTINUED SCRAP QUOTA WITH FRANCISCO SERRA, DIRECTOR OF NATIONAL IRON AND STEEL CHAMBER. DIRECTOR NOTED THAT ALTHOUGH WORLD QUOTA UNCHANGED FOR SECOND QUARTER 1974, MEXICO'S ESTIMATE OF IMPORT NEEDS ALSO UNCHANGED AND TOTAL TWICE THE AMOUNT AUTHORIZED. FOR SECOND QUARTER MEXICO NEEDS 386,851 METRIC TONS (MTS) OF SCRAP PLUS 59,850 MTS OF RAILS AND AXLES. THIRD QUARTER REQUIREMENT IS 324,136 MTS OF SCRAP PLUS 59,850 MTS, AND FOURTH QUARTER ESTIMATE IS 336,426 PLUS 59,850 MTS. ALTHOUGH SUPPLY SITUATION REMAINS TIGHT, EMBOFF DOES NOT KNOW OF ANY MILLS YET FORCED TO CLOSE DOWN. HOWEVER, SOME ESTIMATE TOTAL STEEL PRODUCTION FOR FIRST QUARTER 1974 WILL DROP BY 25-30,000 MTS.

2. WHEN EMBOFF INQUIRED ABOUT POSSIBLE SCRAP HOARDING BY MEXICAN INDUSTRIES (REPORTED MEXICO 1283), DIRECTOR SAID HE UNDERSTANDS SECRETARIAT OF NATIONAL PATRIMONY IS STUDYING AND WORKING ON PROBLEM, BUT HE THINKS AMOUNT ACTUALLY HOARDED IS PROBABLY MUCH UNCLASSIFIED

UNCLASSIFIED

PAGE 02 MEXICO 01925 052132Z

LESS THAN GOM ESTIMATES.

3. DIRECTOR NOTED THAT US. SCRAP LICENSES FOR FIRST QUARTER WERE SLOW TO BE AUTHORIZED AND NONE OF THE FIRST QUARTER ALLOTMENT WAS IMPORTED INTO MEXICO UNTIL FEBRUARY 1. DIRECTOR THEREFORE REQUESTS COMMERCE DEPARTMENT TO CONSIDER EXTENSION OF FIRST QUARTER DEADLINE, PREFERABLY UNTIL ITS ALLOTMENT CAN BE IMPORTED. DIRECTOR ENDED CONVERSATION BY NOTING THAT US SCRAP PRICES REPORTEDLY NOW US\$135 PER TON AND EXPRESSED CONCERN OVER GALLOPING PRICE INCREASES.

4. EMBOFF TODAY OBTAINED ADVANCE COPY OF RECOMMENDATIONS FOR SOLUTION OF SCRAP PROBLEM DISCUSSED AT JANUARY 25 MEETING OF STEEL INDUSTRY LEADERS UNDER AUSPICES OF NATIONAL IRON AND STEEL INSTITUTE (SEE MONTERREY REFTEL.) RECOMMENDATIONS, PLUS MEETINGS PROGRAM SCHEDULE AND PRESENTATION BY LEADING HYLSA EXECUTIVE ING. MARCO MASCARUA ARE BEING FORWARDED DEPARTMENT BY AIRGRAM. EMBASSY OBSERVER AT WELL ATTENDED MEETING WAS IMPRESSED BY INDUSTRY'S EVIDENT CONCERN OVER SCRAP PROBLEM. SPEAKERS CLEARLY CONVEYED DISTRESS OVER MEXICAN SHARE OF QUOTA CONSIDERED UNFAIR BASED ON STATISTICAL REASONING AS PRESENTED IN MASCARUA SPEECH. MEXICAN DEPENDENCE ON US. AS ONLY SOURCE WAS STRESSED SEVERAL TIMES. HOWEVER MEETING DID NOT DEGENERATE TO BITTERNESS AND EVEN INCLUDED PUBLIC EXPRESSION OF GRATITUDE FOR EMBASSY COOPERATION IN TRANSMITTING INFORMATION BETWEEN WASHINGTON AND MEXICO CITY. FULL SUMMARY OF MEETING WILL BE PUBLISHED WITHIN A MONTH AND EMBASSY WILL FORWARD COPY TO DEPARTMENT.
JOVA

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: IRON, STEEL, SUPPLIES, METAL INDUSTRY, EXPORT CONTROLS, STOCKPILES, MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 05 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974MEXICO01925
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: MEXICO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740367/aaaackqx.tel
Line Count: 87
Locator: TEXT ON-LINE
Office: ACTION COME
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: MEXICO 1283, MONTERREY 53, MEXICO A-, 589 (11/23/73)
Review Action: RELEASED, APPROVED
Review Authority: kelleyw0
Review Comment: n/a
Review Content Flags:
Review Date: 08 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <08-Aug-2002 by elbezejf>; APPROVED <04 DEC 2002 by kelleyw0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CURRENT MEXICAN SCRAP SITUATION
TAGS: EIND, ETRD, MX, US
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005